

15 October 2025

Australian Securities and Investments Commission
GPO Box 9827
Melbourne VIC 3001

Via email: simplificationconsultativegroup@asic.gov.au

Dear ASIC Simplification Team,

Thank you for the opportunity to provide a submission on the consultation (**consultation**) regarding ASIC *Report 813: Regulatory Simplification* (the **Report**).

The Australian Institute of Company Directors (**AICD**)'s mission is to be the independent and trusted voice of governance, building the capability of a community of leaders for the benefit of society. The AICD's membership of more than 53,000 includes directors and governance leaders of not-for-profits, large and small businesses and the public sector.

The AICD strongly supports ASIC's regulatory simplification objectives outlined in the Report; that is, to reduce the compliance burden for entities without sacrificing good regulation or consumer protections. These are essential to the Government's agenda to boost national prosperity and productivity and make it easier to do business in Australia. Against this backdrop, there is a critical opportunity for ASIC's simplification program to boldly and practically contribute to the Government's broader economic reform agenda.

Enclosed at **Attachment A** are our responses to key consultation questions in the Report relevant to the AICD and its members. We have not sought to respond to each question but rather focus on those of greatest relevance to Australian directors.

1. Executive Summary

The AICD strongly supports ASIC's efforts in modelling proactive regulatory stewardship in its regulatory simplification initiatives and in establishing the ASIC Simplification Consultative Group (of which AICD is a member).

We acknowledge that ASIC's focus is largely on non-legislative change and that regulatory simplification in this context involves a series of smaller changes that cumulatively build a strong culture of regulatory stewardship. That said, we encourage ASIC to show further leadership (particularly among the Council of Financial Regulators) and model a regulator taking an approach that balances both risk and growth. This could be supported by a refreshed Statement of Expectations from Government and corresponding Statement of Intent from ASIC.

We support many of the initiatives ASIC has outlined in its multi-year program; however, we also encourage ASIC to consider more ambitious measures to meet the scale of the Government's vision for business to resume its 'rightful place as the primary source of growth in our economy'.

We provide the following comments on key areas:

Improving access to regulatory information

- *Better structuring regulatory guidance:* We commend ASIC on its work to help those it regulates better navigate regulatory information relevant to them, including through better structuring of regulatory guidance and piloting roadmaps. As part of this work, we encourage ASIC to clearly highlight where it has specific expectations of directors.

Reducing legislative complexity

- *Drafting principles:* We support ASIC's best practice drafting principles as a practical means of helping ensure ASIC legislative instruments are clearer and written in plain language. We recommend that ASIC extend its development of best practices to include stakeholder consultation, modelling a minimum four-week consultation period for all ASIC consultations.
- *Improving legislative instruments:* We also support ASIC's consolidation and simplification of legislative instruments, noting that financial reporting, accounting and audit instruments are among the more complex and difficult to navigate. In order to make meaningful progress, ASIC will need to dedicate significant resources and focus (for example a dedicated taskforce). This may require additional funding from the Federal Government.

Making it easier to interact with ASIC

- *Regulatory coordination:* We strongly support ASIC's efforts to improve regulatory transparency and coordination, including through its participation in the Regulatory Initiatives Grid. In particular, we welcome ASIC's upcoming joint project with the Australian Prudential Regulatory Authority to streamline the operation of the Financial Accountability Regime. However, we consider that ASIC could play a greater leadership role among CFR agencies in modelling more ambitious measures to reduce regulatory burden, some of which we have outlined in this submission.
- *Improving the companies register:* We support ASIC's work to uplift and stabilise its registers. While the AICD is aligned with the policy objectives of the proposal to link the director ID with the companies register (which ASIC has identified as a key priority), it is critical that this is implemented in a way that removes the linked director personal information from general public access. We are committed to continuing to engage with ASIC, Treasury and other stakeholders on the initiative, including through the AICD's participation in the Registry Business Advisory Group. It is unacceptable that, at a time where privacy concerns are increasingly prominent, there is a publicly available database displaying the personal information of an estimated 2.5 million directors.
- *Facilitating electronic lodgement and e-signatures:* We welcome ASIC's announcement that it will accept e-signatures on all forms from 1 October 2025. While we support ASIC's proposal to digitise more forms, we recommend this proposal be expanded to enable electronic lodgement across all forms and filings.

Simplification through law reform

- *Reforms to substantial holding notices and reportable situations regime:* We broadly support proposed reforms to reduce the regulatory burden and complexity of these regimes whilst preserving their policy aims.
- *Additional reforms:* While we understand ASIC is focused on areas within its remit where it can 'make the most difference as quick as possible', we consider there are additional reforms to the laws ASIC administers that are critical to simplifying regulation while supporting business growth.

These include specific reforms to remedy the imbalanced director liability regime in the Corporations Act and the lifting of corporate reporting thresholds to reduce reporting burden on entities.

Shaping ASIC's simplification work overall

- *Cost/benefit analysis:* We agree that robust cost/benefit analyses, including quantitative measures of burden reduction, are needed to ensure simplification initiatives are achieving their aims. We recommend that ASIC have regard to the European Commission's methodologies for impact evaluation and cost/benefit analysis.
- *Revival of a CAMAC-style body:* We strongly recommend the establishment of an independent, expert body to support government policymaking. This could be similar to the former Corporations and Markets Advisory Committee (CAMAC), or a new independent commission of experts who could be charged with simplifying and modernising key financial, markets and corporations laws over a certain time horizon. This is consistent with recent calls by the Chair of ASIC for reinstatement of such an advisory body.

We hope our submission will be of assistance. If you would like to discuss any aspects further, please contact AICD Head of Policy, [REDACTED], at [REDACTED], or [REDACTED], Senior Policy Adviser, [REDACTED].

Yours sincerely,

[REDACTED]

[REDACTED]

GM, Education and Policy Leadership

Attachment A: Responses to specific consultation questions

Improving access to regulatory information

3. How can we present our guidance materials more clearly for different audiences (for example, consumers, small businesses, technical users and representative organisations)? Should we focus on principles-based guidance or more prescriptive guidance which outlines our expectations of complying with the law?

As an extension of the work already underway by ASIC to better structure regulatory guidance for 'strategic decision-makers', the AICD recommends ASIC consider more explicitly articulating its expectations of directors, especially in areas where ASIC is concerned by apparent market practice or there is uncertainty. At times, there has been public criticism of board behaviours without a correspondingly clear articulation of the regulator's expectations or what it considers good practice.

Currently, ASIC guidance on director obligations often appears in lengthier documentation across multiple resources and directed at technical experts rather than the director community. ASIC could consider creating a 'hub' or dashboard that gathers together ASIC's guidance on director responsibilities across resources and is easily searchable by topic. This guidance should be expanded and refreshed in response to significant legal developments relating to director duties – for example, when judgment is handed down in ASIC's current proceedings against current and former Star Entertainment Group Limited directors and officers.

ASIC should also consider signposting in its guidance other sources of credible information (such as that from AICD and peer organisations) that help directors interpret what they must do to satisfy their core director duties. As an example, the AICD has commissioned a recent [legal opinion](#) from Michael Hodge KC and Sonia Tame which provides guidance on what directors must do to satisfy their duty of care and diligence under section 180 of the Corporations Act in overseeing a company's compliance obligations.

It is important that any articulation of ASIC views on director obligations are subject to appropriate stakeholder consultation given the complexity of such issues in practice.

4. Do you think the small-company and financial advice regulatory roadmaps are helpful? Would you suggest any improvements?

The roadmap format is a practical step to helping make information on regulatory obligations more accessible. The pilot for small company directors shows that key information and obligations can be presented in a visual and sequential way that is easier to navigate than guidance dispersed across multiple resources.

While a potentially useful starting point for first time small company directors, there is a risk that directors take an oversimplified view of some of their core obligations. To help mitigate this, ASIC could consider:

- explaining what the duties to act in good faith, with care and diligence and in the best interest of the company and prevent insolvent trading mean in practical terms for directors (the AICD has several publicly available resources, see [here](#) for example); and

- signposting how directors' obligations connect to other regulations relevant to small companies (such as work and health safety or tax) so that directors have a sense of the broader regulatory landscape relevant to them.

Reducing complexity in legislative instruments

7. Are our best practice drafting principles useful? Is there anything you would change?

The AICD supports the best practice drafting principles as a practical means of helping ensure ASIC legislative instruments are clearer, consistent and written in plain language. We suggest, however, that the principles also address the relationship between the principles and the Office of Parliamentary Counsel's Guide, *Reducing complexity in legislation*, given it is noted as 'relevant to complexity in instruments (subordinate legislation)'¹.

The AICD also encourages ASIC to extend its work on best practices for drafting principles to include best practices for stakeholder consultation and provide, at a minimum, four weeks for consultation with stakeholders.

The COVID-19 period understandably saw ASIC, alongside other agencies, recalibrate priorities and shorten periods for public comment to focus on the pandemic response. Today, ASIC appears to vary consultation periods based on the complexity and impact of proposals. While the vast majority of consultations are at least four weeks, at least five this calendar year have been open for less than four weeks.¹

Modelling and helping promote a four-week minimum consultation period reduces the risk of poor policy outcomes and technical drafting issues which in turn creating implementation challenges and associated compliance costs. Doing so would also bring ASIC in line with expectations of regulators in similar jurisdictions such as the European Commission.²

Additionally, we commend ASIC for its approach to publishing a summary of key themes from recent consultation feedback on its discussion paper on Australia's evolving capital markets and ASIC's response (we also observed a similar approach in relation to CS 383 earlier this year). We encourage ASIC to more regularly publish these thematic feedback summaries for other consultations and note how they have informed ASIC's final positions, particularly for consultations that are complex or have generated a high degree of public engagement.

Making it easier to interact with ASIC

11. With respect to interacting with ASIC, other than the work we've outlined, is there anything else we should prioritise?

Regulatory coordination

The AICD strongly supports ASIC's efforts to improve regulatory transparency and coordination, including in its bilateral engagements with other Council of Financial Regulators (CFR) agencies. In particular, we welcome ASIC's upcoming joint project with the Australian Prudential Regulatory

¹ ASIC consultations: [CS 16](#) Reportable situations – additional relief; [CS 21](#) Proposed remake of deposit product disclosure relief instrument; [CS 24](#) Proposed remake of financial reporting-related legislative instruments ; [CS 27](#) Proposed remake of relief for managed investment product consideration; [CS30](#) Proposed extension of stablecoin distribution exemption.

² European Commission, *Better Regulation Guidelines*, page 16. Available [here](#).

Authority (**APRA**) to streamline the joint administration of the Financial Accountability Regime (**FAR**) and consider changes to reduce the reporting burden on entities.

APRA has commenced a review of its governance and fit and proper prudential requirements and several of the proposals under this review overlap with the FAR. We recommend work on the joint-administration of the FAR is coordinated with the broader governance review and identifies opportunities to reduce overlap. We also note long-standing concerns of directors of the complexity and duplication of deferred remuneration requirements under both the *FAR and CPS 511 Remuneration*. Again, we strongly encourage that work to streamline the joint administration of the regime.

ASIC could further build on this regulatory coordination by taking a greater leadership role among CFR agencies. While the AICD considers that Treasury should co-ordinate system-wide simplification efforts across CFR agencies, we consider that ASIC has an important role to play in modelling more ambitious measures to reduce regulatory burden, some of which we have outlined in this submission. This could include developing sound quantitative measures of burden reduction to measure the impact of ASIC's simplification efforts which could also be adapted by other agencies.

Regulatory Initiatives Grid

ASIC's contribution, alongside other agencies, to the Regulatory Initiatives Grid (**RIG**) has also been a useful mechanism to provide greater transparency and predictability for stakeholders regarding upcoming regulatory changes in the financial services sector. However, we consider that several enhancements could be made at the direction of Treasury and with the support of ASIC and other agencies:

- *Addressing gaps in RIG coverage:* There is currently a gap in coverage within the existing RIG of reform initiatives that have been finalised but are yet to commence. Without addressing this gap, stakeholders do not have a full picture of imminent reform initiatives, and the effectiveness of the RIG is reduced.
- *Extend beyond the financial services sector:* While ASIC is one of a number of contributing agencies to the RIG (alongside APRA, Treasury, the Attorney-General's Department, ATO, ACCC and AUSTRAC), the scope of their input relates to reform priorities and initiatives in the financial services sector only. There is a significant opportunity for the RIG to apply across the economy and inform stakeholders of the direction of regulatory reform within each agency's remit. For example, all ASIC and Treasury reform initiatives over a six- and twelve-month period. Such an exercise may provide some pause for thought on when and how to undertake consultation and encourage better sequencing of initiatives.

Companies register improvements and director IDs

We note ASIC has identified linking director IDs to the companies register as a key priority to enhance the traceability of director relationships with companies. While the AICD supports the policy objectives of the proposal, we have previously raised with ASIC, Treasury and other stakeholders continued, serious objections about the display of a full director ID alongside all existing director personal information (such as home address and date of birth). We understand that a tiered access solution is currently being explored as an appropriate means of mitigating privacy risk. This solution

would remove director personal information from general public access, but preserve some access for critical, trusted groups based on need (e.g. insolvency practitioners).

The AICD is committed to continuing to engage with ASIC, Treasury and other stakeholders, including via the Registry Business Advisory Group, to uplift the companies register while mitigating the privacy, cyber and other risks associated with director personal information being linked to director IDs. It is unacceptable that, at a time where privacy concerns are increasingly prominent, and criminal threats pervasive, there is a publicly available database displaying the personal information of an estimated 2.5 million directors.

It is critical that the de-identification of director personal information for general public users (in accordance with the tiered access model referred to above) should be **urgently prioritised** before director ID numbers are linked and published in full. If there are timing challenges, director IDs should only be displayed partially until such time as the tiered access model (or other de-identification solution) can be implemented.

Facilitating e-signing and electronic lodgements

The AICD welcomes ASIC's announcement that it will accept methods of electronic signing on all ASIC forms from 1 October 2025 and the proposal to create a single front door for online services.

We also support ASIC's longer-term efforts to digitise more forms and facilitate email lodgement as a transitional measure, but recommend these efforts be expanded to enable electronic lodgement across all forms and filings. We expect these measures combined will meaningfully reduce the administrative burden of interacting with ASIC, and with fewer delays.

Simplification through law reform

16. What changes, if any, should be made to the reportable situations regime and substantial holding notices?

Whilst the AICD has not received significant member feedback on specific changes to the reportable situations and substantial holding notice regimes, we broadly support ASIC's proposals to reduce their complexity and associated compliance burden through targeted reforms.

We highlight the recent final report of the Council of Financial Regulators (**CFR**) review of small and medium sized banks and its findings and recommendations in respect of breach reporting to ASIC.³ The report highlighted the significant number of breach reports that ASIC receives and the burden on smaller entities from this reporting regime. The CFR recommended ASIC consider how to ease the burden on small banks, including through removing the requirement to report breaches that are 'deemed' significant under the Corporations Act and *National Consumer Credit Protection Act 2009*.

We strongly support this recommendation and encourage ASIC to assess whether a proportionate approach to breach reporting can be expanded more broadly to non-bank Australian Financial Services licensee holders.

With respect to substantial holding notices, digital lodgement, a transition to structured online forms with mandatory fields and the provision of guidance with worked examples on when aggregation is

³ Report to Government by the Council of Financial Regulators, in consultation with the Australian Competition and Consumer Commission (August 2025), *Review into Small and Medium-sized Banks*.

required (e.g. across funds) would reduce the administrative burden for entities and improve the consistency of information reported. As part of its work in this area, ASIC and Treasury could also consider whether the current timing and threshold requirements strike the right balance between transparency and compliance burden.

17. Are there any other regulatory reform ideas within ASIC's remit that could simplify the application of the law, or otherwise make it easier for individuals and businesses to meet their compliance obligations?

Whilst we acknowledge that ASIC is focusing on areas within its remit where it 'can make the most difference as quickly as possible for consumers, investors, businesses and directors'⁴, the AICD considers that there are additional targeted reforms to the laws ASIC administers that are critical to simplifying regulation while supporting business growth. These are set out below.

We encourage ASIC to show greater ambition, given the momentum already built under this project.

Simplifying the liability regime in the Corporations Act

The widely acknowledged complexity of the Corporations Act and its imbalanced director liability regime are real contributors to a risk-averse corporate culture that is compromising the collective productivity of Australian businesses. This, according to consistent director feedback, is creating an environment in which boards are forced to unduly focus on compliance at the expense of strategy, growth and innovation.⁵

This feedback is supported by 2025 research commissioned by the AICD and undertaken by Allens on the director liability environment in Australia (accessible [here](#)). Updating advice originally provided by Allens in 2019, the 2025 research compares how directors are held legally responsible in Australia and five comparable jurisdictions (Canada, Hong Kong, New Zealand, the UK and the US). It canvasses key liability areas including corporations, competition, tax, environmental and workplace laws, as well as more contemporary governance such as cyber security, financial accountability, and mandatory climate reporting.

Key findings include that:

- compared to international peers, Australian directors face more legal risks and heavier penalties;
- Australia continues to regulate through the imposition of director liability provisions, on top of existing directors' duties, with new director liability provisions having come in across various areas of law since 2019;
- Australian directors now face reporting and attestation requirements in areas like sustainability reporting, modern slavery and security of critical infrastructure. The AICD's concern is that this pushes boards into the traditional domain of management and encourages a disproportionate compliance focus; and
- directors face criminal liability more readily and harsher penalties, despite national principles recommending such liability be reserved for exceptional cases.

⁴ Report, page 4.

⁵ With respect to concerns about regulatory burden limiting boards' ability to focus on strategy, growth and long-term value creation, see APRA (March 2025), *Governance Review Discussion Paper*, page 25. Available [here](#).

Some of these findings are unsurprising given the Australian Law Reform Commission (**ALRC**) in its 2024 report highlighted the complexity and duplication in corporations and financial services legislation, particularly with respect to offence and penalty provisions.⁶

One example is the confusion, uncertainty and inconsistency created by seven overlapping provisions between the *Corporations Act* and *ASIC Act* for misleading and deceptive conduct. The ALRC has, in response, suggested a potential pathway to simplification which repeals all except one provision (12DA), modifying it to become a civil-penalty, and then supplementing it with a clearly sign-posted criminal variant. This specific example illustrates one practical and targeted way to enact the broader final recommendations made in the ALRC 2024 Report.⁷

As we have previously highlighted, we consider simplifying the Corporations Act a fundamental lever in enabling businesses to operate with certainty and efficiency within a coherent legal framework. We understand from ASIC's correspondence with the Treasurer and Minister for Finance dated 1 August 2025 that there will be opportunities for ASIC to raise legislative or longer-term proposals that support economic growth.⁸ While comprehensive reform of the Corporations Act is no small task, we encourage ASIC to work with Treasury on high-value, practical reforms, such as those identified by the ALRC above, to rebalance the liability regime in the Corporations Act.

Reducing reporting burden

The AICD considers that any effort to reduce the regulatory burden on business must include a comprehensive review of corporate reporting frameworks. We have previously called for reporting thresholds to be subject to mandatory periodic indexation (e.g. in line with inflation or GDP growth) and periodic review, to avoid scope creep and keep pace with the economy.⁹

Once a regulatory regime commences, corporate reporting or notification thresholds are often stagnant. This results in hidden compliance creep to capture organisations whose size and resourcing are not fit for that level of reporting.

In light of this, we were encouraged to see that ASIC, in its letter to the Treasurer and Minister for Finance dated 12 August 2025¹⁰ conveyed that ASIC would support consideration of changes to the Corporations Act Chapter 2M thresholds for when a company is defined as a large proprietary company, noting this definition has remain unchanged since 2019. Falling within this definition triggers the need to lodge audited financial reports with ASIC and these entities will also be required to lodge a statutory climate report under the recently legislated reporting regime. A simple change to adjust the thresholds to \$100m revenue and \$50m assets (from \$50m revenue and \$25m assets) in the Corporations Regulations would, according to ASIC's own estimate, mean that 1,535 companies would no longer need to report.

The AICD strongly supports this change and also recommends:

- aligning key aspects of the Corporations (Aboriginal and Torres Strait Islander) Act 2006 with the Corporations Act to streamline regulatory requirements and reduce duplication; and

⁶ ALRC report (tabled 18 January 2024), *Confronting Complexity: Reforming Corporations and Financial Services Legislation* (ALRC Report 141). Available [here](#).

⁷ *Ibid.*

⁸ Letter from ASIC Chair to Treasurer and Minister dated 1 August 2025. Accessed [here](#).

⁹ See, e.g. AICD (September 2025), *Submission to Productivity Commission Five Pillars Inquiry Interim Reports*. Available [here](#).

¹⁰ Supplementary letter from ASIC Chair to Treasurer and Minister Finance dated 12 August 2025. Accessed [here](#).

- limiting the scope of mandatory climate reporting to groups 1 and 2 only, with NFPs explicitly excluded given the significant compliance costs involved.

To inform reform in this area, the AICD is undertaking economic research to understand the productivity impacts of specific regulatory settings on Australian businesses. The research will focus on quantifying the costs of selected existing requirements, such as Commonwealth corporate reporting requirements, and seek to measure the potential gains from targeted reforms. It will also examine how the broader regulatory burden on Australian businesses has changed over time. We will be pleased to provide this research to ASIC in due course.

Shaping ASIC's simplification work overall

19. Are there any costs associated with any of the options that are important for us to consider?

We understand that ASIC is currently developing cost/benefit analyses for its simplification pilots which it will complete after the current consultation. To inform this work, and to help ASIC measure the effectiveness of its simplification initiatives over time, we encourage ASIC to consider the European Commission's methodologies for cost/benefit and impact analysis outlined in its Better Regulation Toolbox, including the wider and indirect economic costs and benefits of initiatives.¹¹ We also encourage ASIC to develop other metrics (beyond cost), such as time and volume of obligations, to measure its progress across its simplification initiatives. This will be critical in helping ensure an evidence-based, quantitative approach is taken to reducing regulatory burden.

We also acknowledge that there are some costs associated with implementing some of the proposals the AICD has put forward in this submission, including proposals for law reform above, and our proposal below for reinstatement of an independent, expert advisory body for corporate law reform. However, we believe that the immediate financial cost would be outweighed by the significant benefits of reduced compliance costs, market efficiency and wider economic gains from clear, growth-focused regulation.

20. Are there any additional areas of simplification you would like us to consider?

As remarked in the Report, untangling the accumulated complexity in Australia's regulation is no easy task. To begin improving the stock of complex, poorly designed regulation, the AICD strongly recommends the establishment of an independent, expert body to support government policy-making. This could take the form of a body similar to the former Corporations and Markets Advisory Committee (**CAMAC**), or a new independent commission of experts who could be charged with simplifying and modernising key financial, markets and corporations laws over a certain time horizon.

This is consistent with recent calls by the Chair of ASIC for the reinstatement of such a body and would drive a root-cause approach to improving regulatory stock, beginning at the policy development stage. It would also provide an appropriate mechanism for a holistic review of the Corporations Act.

¹¹ See European Commission (July 2023), *Better Regulation Toolbox*, Chapter 8. Available [here](#).